

BOOK 705 PAGE 789

DE SOTO CO. 5  
May 11 10 28 AM '94

LAND DEED OF TRUST

BK 705 PG 789  
W.E.D. CH. CLK.  
By: G. Atkinson, etc.

THIS INDENTURE, made and entered into this day by and between MAGNOLIA SQUARE PARTNERS, L.P., a Tennessee Limited Partnership composed of Thomas W. Hart, James J. Gannaway III, Thomas F. Schaffler, and Mid-South Recreation Associates, Inc., a Delaware Corporation, whose address is 155 N. Main Street, Suite 102D, Collierville, Tennessee 38017, as Grantor (herein designated as "Debtor"), C. WILLIS CONNELL, JR., as Trustee, and UNITED SOUTHERN BANK, a Mississippi Banking Corporation, Post Office Box 399, 8975 Goodman Road, Olive Branch, Mississippi 38654, as Beneficiary (herein designated as "Secured Party"),

WITNESSETH:

WHEREAS, Debtor is indebted to Secured Party in the full sum of Two Hundred Thousand and No/100 Dollars (\$200,000.00) evidenced by one (1) promissory note of even date herewith in favor of Secured Party, said promissory note bearing interest at the rate specified therein, providing for payment of installments of principal and interest as specified therein, providing for payment of attorney's fees for collection if not paid according to the terms thereof, and being finally due and payable upon the terms contained therein, but in no event later than November 11, 1999; and

WHEREAS, Debtor desires to secure prompt payment of (a) the indebtedness described above according to its terms and any extensions thereof; (b) any additional and future advances with interest thereon which Secured Party may make to Debtor as provided in Paragraph 1; (c) any other indebtedness which Debtor may now or hereafter owe to Secured Party as provided in Paragraph 2; and (d) any advances with interest which Secured Party may make to protect the property herein conveyed as provided in Paragraphs 3, 4, 5, and 6 (all being herein referred to as the "Indebtedness");

NOW THEREFORE, in consideration of the existing and future Indebtedness herein recited, Debtor hereby conveys and warrants unto Trustee the land described below situated in the City of Southaven, DeSoto County, Mississippi, to-wit:

Lot 1, First Revision, Magnolia Square Commercial Subdivision, in Sections 14 and 15, Township 1 South, Range 8 West, in the City of Southaven, DeSoto County, Mississippi, as shown by plat appearing of record in Plat Book 28, Page 5, in the office of the Chancery Clerk of DeSoto County, Mississippi,

CANCELLED BY AUTHORITY RECORDED IN BOOK  
805 PAGE 191

THIS 18 DAY OF Jan 19 96

W. E. Davis  
CHANCERY CLERK  
By: W. S. D.C.

together with all improvements and appurtenances now or hereafter erected on, and all fixtures of any and every description now or hereafter attached to, said land (all being herein referred to as the "Property"). Notwithstanding any provision in this agreement or in any other agreement with Secured Party, the Secured Party shall not have a nonpossessory security interest in and its collateral or Property shall not include any household goods (as defined in Federal Reserve Board Regulation AA, Subpart B), unless the household goods are identified in a security agreement and are acquired as a result of a purchase money obligation. Such household goods shall only secure said purchase money obligation (including any refinancing thereof).

THIS CONVEYANCE, HOWEVER, IS IN TRUST (subject to the covenants, stipulations, and conditions below) to secure prompt payment of all existing and future Indebtedness due by Debtor to Secured Party under the provisions of this Deed of Trust. If Debtor shall pay said Indebtedness promptly when due and shall perform all covenants made by Debtor, then this conveyance shall be void and of no effect. If Debtor shall be in default as provided in Paragraph 9, then, in that event, the entire Indebtedness, together with all interest accrued thereon, shall, at the option of Secured Party, be and become at once due and payable without notice to Debtor, and Trustee shall, at the request of Secured Party, sell the Property conveyed, or a sufficiency thereof, to satisfy the Indebtedness at public outcry to the highest bidder for cash. Sale of the Property shall be advertised for three (3) consecutive weeks preceding the sale in a newspaper published in the county where the Property is situated, or if none is so published, then in some newspaper having a general circulation therein, and by posting a notice for the same time at the courthouse of the same county. The notice and advertisement shall disclose the names of the original Debtor in this Deed of Trust. Debtor waives the provisions of Section 89-1-55 of the Mississippi Code of 1972, as amended, if any, as far as this section restricts the right of Trustee to offer at sale more than 160 acres at a time, and Trustee may offer the Property herein conveyed as a whole, regardless of how it is described.

If the Property is situated in two or more counties, or in two judicial districts of the same county, Trustee shall have full power to select in which county, or judicial district, the sale of the property is to be made, newspaper advertisement published and notice of sale posted, and Trustee's selection shall be binding upon Debtor and Secured Party. Should Secured Party be a corporation or an unincorporated association, then any officer thereof may declare Debtor to be in default as provided in Paragraph 9 and request Trustee to sell the Property. Secured Party shall have the same right to purchase the Property at the

foreclosure sale as would a purchaser who is not a party to this Deed of Trust.

From the proceeds of the sale Trustee shall first pay all costs of the sale, including reasonable compensation to Trustee; then the Indebtedness due Secured Party by Debtor, including accrued interest and attorney's fees due for collection of the debt; and then, lastly, any balance remaining to Debtor.

IT IS AGREED that this conveyance is made subject to the covenants, stipulations and conditions set forth below, which shall be binding upon all parties hereto.

1. This Deed of Trust shall also secure all future and additional advances which Secured Party may make to Debtor from time to time upon the security herein conveyed. Such advances shall be optional with Secured Party and shall be on such terms as to amount, maturity and rate of interest as may be mutually agreeable to both Debtor and Secured Party. Any such advance may be made to any one of the Debtors should there be more than one, and if so made, shall be secured by this Deed of Trust to the same extent as if made to all Debtors. However, on all transactions covered by Truth in Lending, when Debtor's notes, debts, obligations and liabilities to Secured Party (in any form) arising out of existing, concurrent and future credit granted by Secured Party are secured by this Deed of Trust, it will be so indicated on the document that evidences the transaction. Therefore this Deed of Trust will in no way secure any form of credit governed by the Truth in Lending Act unless the document which evidences the Credit Transaction indicates by proper disclosure that the transaction is secured by this Deed of Trust.

2. This Deed of Trust shall also secure any and all other Indebtedness of Debtor due to Secured Party with interest thereon as specified, or of any one of the Debtors should there be more than one, whether direct or contingent, primary or secondary, sole, joint or several, now existing or hereafter arising at any time before cancellation of this Deed of Trust. Such Indebtedness may be evidenced by note, open account, overdraft, endorsement, guaranty or otherwise. However, on all transactions covered by Truth in Lending, when Debtor's notes, debts, obligations and liabilities to Secured Party (in any form) arising out of existing, concurrent and future credit granted by Secured Party are secured by this Deed of Trust, it will be so indicated on the document that evidences the transaction. Therefore this Deed of Trust will in no way secure any form of credit governed by the Truth in Lending Act unless the document which evidences the Credit Transaction

indicates by proper disclosure that the transaction is secured by this Deed of Trust.

3. Debtor shall keep all improvements on the land herein conveyed insured against fire, all hazards included within the term "extended coverage", flood in areas designated by the U. S. Department of Housing and Urban Development as being subject to overflow, and such other hazards as Secured Party may reasonably require in such amounts as Debtor may determine, but for not less than the Indebtedness secured by this Deed of Trust. All policies shall be written by reliable insurance companies acceptable to Secured Party, shall include standard loss payable clauses in favor of Secured Party and shall be delivered to Secured Party. Debtor shall promptly pay when due all premiums charged for such insurance, and shall furnish Secured Party the premium receipts for inspection. Upon Debtor's failure to pay the premiums, Secured Party shall have the right, but not the obligation, to pay such premiums. In the event of a loss covered by the insurance in force, Debtor shall promptly notify Secured Party, who may make proof of loss if timely proof is not made by Debtor. All loss payments shall be made directly to Secured Party as loss payee, who may either apply the proceeds to the repair or restoration of the damaged improvements or to the Indebtedness of Debtor, or release such proceeds in whole or in part to Debtor.

4. Debtor shall pay all taxes and assessments, general or special, levied against the Property or upon the interest of Trustee or Secured Party therein, during the term of this Deed of Trust before such taxes or assessments become delinquent, and shall furnish Secured Party the tax receipts for inspection. Should Debtor fail to pay all taxes and assessments when due, Secured Party shall have the right, but not the obligation, to make these payments.

5. Debtor shall keep the Property in good repair and shall not permit or commit waste, impairment or deterioration thereof. Debtor shall use the Property for lawful purposes only. Debtor shall permit authorized representatives of Secured Party to enter upon and inspect the Property at such times during normal business hours as often as Secured Party may reasonably request. Secured Party shall have the right, but not the obligation, to cause needed repairs to be made to the Property after first affording Debtor a reasonable opportunity to make the repairs.

Should the purpose of all or any part of the primary Indebtedness for which this Deed of Trust is given as security be for construction of improvements on the land herein conveyed, Secured Party shall have the right to make or arrange to be made entries upon the Property and inspections of the construction in progress. Should Secured Party determine that Debtor is failing to

perform such construction in a timely and satisfactory manner, Secured Party shall have the right, but not the obligation, to take charge of and proceed with the construction at the expense of Debtor.

6. Any sums advanced by Secured Party for insurance, taxes, repairs or construction as provided in Paragraphs 3, 4, and 5 shall be secured by this Deed of Trust as advances made to protect the Property and shall be payable by Debtor to Secured Party, with interest at the rate then in effect at the time of such advance or advances under the promissory note from Debtor to Secured Party in the original principal sum of \$2,500,000.00 dated August 11, 1993, within thirty days following written demand for payment sent by Secured Party to Debtor by certified mail. Receipts for insurance premiums, taxes and repair or construction costs for which Secured Party has made payment shall serve as conclusive evidence thereof.

7. As additional security, Debtor hereby assigns to Secured party all rents accruing on the Property. If Debtor becomes subject to a voluntary or involuntary bankruptcy, then Debtor agrees that Secured Party and Trustee are entitled to receive relief from the automatic stay in bankruptcy for the purpose of making this conveyance effective and enforceable under state and federal law and within Debtor's bankruptcy proceedings. Debtor shall have the right to collect and retain the rents as long as Debtor is not in default as provided in Paragraph 9. In the event of default, Secured Party in person, by an agent or by a judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and collect the rents. All rents so collected shall be applied first to the costs of managing the Property and collecting the rents, including fees for a receiver and an attorney, commissions to rental agents, repairs and other necessary related expenses, and then to payments on the Indebtedness.

8. This Deed of Trust may not be assumed by any buyer from Debtor. Any other attempted transfer of any interest in this Property (including, but not limited to, possession) will constitute a default and Secured Party may accelerate the entire balance of this Indebtedness.

9. Debtor shall be in default under the provisions of this Deed of Trust if (a) Debtor shall fail to comply with any of Debtor's covenants or obligations contained herein; (b) Debtor shall fail to pay any installment of principal or interest under the promissory note representing the primary Indebtedness secured hereby as such installment shall be due by contractual agreement or by acceleration, or any other default shall occur under the promissory note representing the primary Indebtedness secured hereby; (c) Debtor shall fail to pay any other Indebtedness secured

hereby, including, but without limitation, the promissory note from Debtor to Secured Party in the original principal sum of \$2,500,000.00 dated August 11, 1993, or any installment thereof or interest thereon, as such Indebtedness, installment or interest shall be due by contractual agreement or by acceleration; (d) Debtor shall, if a corporation, a partnership or an unincorporated association, be dissolved voluntarily or involuntarily; (e) an "Event of Default" (as defined therein) shall occur under that certain Loan Agreement between Debtor and Secured Party dated effective August 11, 1993; or (f) Secured Party in good faith deems itself insecure and its prospect of repayment seriously impaired.

10. Secured Party may at any time, without giving formal notice to the original or any successor Trustee, or to Debtor, and without regard to the willingness or inability of any such Trustee to execute this trust, appoint another person or succession of persons to act as Trustee, and such appointee in the execution of this trust shall have all the powers vested in and obligations imposed upon Trustee. Should Secured Party be a corporation or an unincorporated association, then any officer thereof may make such an appointment.

11. Each privilege, option or remedy provided in this Deed of Trust to Secured Party is distinct from every other privilege, option or remedy contained herein or afforded by law or equity, and may be exercised independently, concurrently, cumulatively or successively by Secured Party or by any other owner or holder of the Indebtedness. Forbearance by Secured Party in exercising any privilege, option or remedy after the right to do so has accrued shall not constitute a waiver of Secured Party's right to exercise such privilege, option or remedy in event of any subsequent accrual.

12. In the event any one or more of the provisions contained in this Deed of Trust shall be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall in no way be affected or impaired thereby.

13. The words "Debtor" or "Secured Party" shall each embrace one individual, two or more individuals, a corporation, a partnership or an unincorporated association, depending on the recital herein of the parties to this Deed of Trust. The covenants herein contained shall bind, and the benefits herein provided shall inure to, the respective legal or personal representatives, successors or assigns of the parties hereto subject to the provisions of Paragraph 8. If there be more than one Debtor, then Debtor's obligations shall be joint and several. Whenever in this Deed of Trust the context so requires, the singular shall include the plural and the plural the singular. Notices required herein from Secured Party to Debtor shall be sent to the address of Debtor

shown in this Deed of Trust, and shall be deemed to have been given or made when sent.

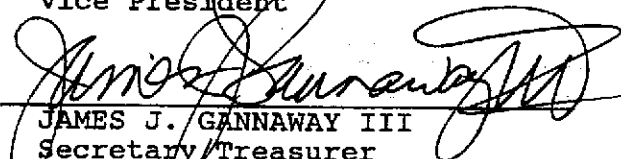
IN WITNESS WHEREOF, Debtor has executed this Deed of Trust on the 11th day of May, 1994.

MAGNOLIA SQUARE PARTNERS, L.P., a  
Tennessee Limited Partnership

BY: MID-SOUTH RECREATION ASSOCIATES,  
INC., its General Partner

BY:   
THOMAS W. HART, President

BY:   
THOMAS F. SCHAFFLER,  
Vice President

BY:   
JAMES J. GANNAWAY III  
Secretary/Treasurer

STATE OF MISSISSIPPI

COUNTY OF DESOTO

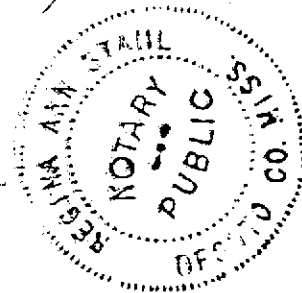
THIS DAY personally appeared before me, the undersigned authority within and for the State and County aforesaid, the within named THOMAS W. HART, THOMAS F. SCHAFFLER, and JAMES J. GANNAWAY III, who acknowledged that they are the President, Vice President, and Secretary/Treasurer, respectively, of Mid-South Recreation Associates, Inc., a Delaware Corporation authorized to do business in the State of Mississippi, and that for and on behalf of said corporation and as and for its act and deed, while said corporation was acting in its capacity as General Partner of and for and on behalf of Magnolia Square Partners, L.P., a Tennessee Limited Partnership, and as and for its act and deed, they executed the above and foregoing Land Deed of Trust for the purpose mentioned on the day and year therein mentioned, after first having been duly authorized by said corporation and partnership so to do.

BOOK 705 PAGE 796

GIVEN under my hand and official seal on this, the 11th day of May, 1994.

*Regina Ann Stahl*  
NOTARY PUBLIC

My Commission Expires: *May 17, 1995*



---

THIS INSTRUMENT PREPARED BY:

WILLIAM M. CHAFFIN  
HOLCOMB, DUNBAR, CONNELL,  
CHAFFIN & WILLARD  
A PROFESSIONAL ASSOCIATION  
8727 NORTHWEST DRIVE, SUITE 1  
POST OFFICE BOX 190  
SOUTHAVEN, MISSISSIPPI 38671-0190  
TELEPHONE: (601) 342-6806

---

INDEXING INSTRUCTION: The real property herein described is located in and this instrument should be indexed under Lot 1, First Revision, Magnolia Square Commercial Subdivision, City of Southaven, DeSoto County, Mississippi.